

(A) the extent to which—

(i) the program conflicts with or duplicates other grant programs; and

(ii) more effective, efficient, economical, and uniform administration of the program may be achieved by changing the requirements and procedures applicable to it; and

(B) budgetary, accounting, reporting, and administrative procedures of the program.

(2) The Comptroller General shall submit to Congress a report on a study made under this subsection and any recommendations. To the extent practicable, a report on an expiring program shall be submitted in the year before the year in which a program ends.

(b)(1) When requested by a committee of Congress having jurisdiction over a grant program, the Advisory Commission on Intergovernmental Relations shall study the intergovernmental relations aspects of the program, including—

(A) the impact of the program on the structural organization of States and local governments and on Federal-State-local fiscal relations; and

(B) the coordination of administration of the program by the United States Government and State and local governments.

(2) The Commission shall submit to the committee requesting the study and to Congress a report and any recommendations.

(Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1010.)

#### HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
6508(a) .....	42:4242.	Oct. 16, 1968, Pub. L. 90-577, §§ 602, 603, 82 Stat. 1107.
6508(b) .....	42:4243.	

In the section, the words “of Congress” are added for clarity. The words “grant program” are substituted for “grant-in-aid program” for consistency in the chapter.

In subsection (a)(1), before clause (A), the words “The study shall include a review of” are substituted for “to determine” for clarity. In clause (B), the words “among other relevant matters” are omitted as unnecessary.

In subsection (b)(1)(B), the words “administration of the program by the United States Government” are substituted for “Federal administration” for consistency in the revised title.

In subsection (b)(2), the words “requesting the study” are added for clarity.

#### CHAPTER 67—FEDERAL PAYMENTS

Sec.	
6701.	Payments to local governments.
6702.	Local Government Fiscal Assistance Fund.
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#### PRIOR PROVISIONS

A prior chapter 67, consisting of sections 6701 to 6724, related to revenue sharing, prior to repeal by Pub. L. 99-272, title XIV, § 14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### § 6701. Payments to local governments

(a) PAYMENT AND USE.—

(1) PAYMENT.—The Secretary shall pay to each unit of general local government which qualifies for a payment under this chapter an amount equal to the sum of any amounts allocated to the government under this chapter for each payment period. The Secretary shall pay such amount out of the Local Government Fiscal Assistance Fund under section 6702.

(2) USE.—Amounts paid to a unit of general local government under this section shall be used by that unit for carrying out one or more programs of the unit related to—

(A) education to prevent crime;

(B) substance abuse treatment to prevent crime; or

(C) job programs to prevent crime.

(3) COORDINATION.—Programs funded under this title shall be coordinated with other existing Federal programs to meet the overall needs of communities that benefit from funds received under this section.

(b) TIMING OF PAYMENTS.—The Secretary shall pay each amount allocated under this chapter to a unit of general local government for a payment period by the later of 90 days after the date the amount is available or the first day of the payment period provided that the unit of general local government has provided the Secretary with the assurances required by section 6703(d).

(c) ADJUSTMENTS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall adjust a payment under this chapter to a unit of general local government to the extent that a prior payment to the government was more or less than the amount required to be paid.

(2) CONSIDERATIONS.—The Secretary may increase or decrease under this subsection a payment to a unit of local government only if the Secretary determines the need for the increase or decrease, or the unit requests the increase or decrease, within one year after the end of the payment period for which the payment was made.

(d) RESERVATION FOR ADJUSTMENTS.—The Secretary may reserve a percentage of not more than 2 percent of the amount under this section for a payment period for all units of general local government in a State if the Secretary considers the reserve is necessary to ensure the availability of sufficient amounts to pay adjustments after the final allocation of amounts among the units of general local government in the State.

(e) REPAYMENT OF UNEXPENDED AMOUNTS.—

(1) **REPAYMENT REQUIRED.**—A unit of general local government shall repay to the Secretary, by not later than 15 months after receipt from the Secretary, any amount that is—

(A) paid to the unit from amounts appropriated under the authority of this section; and

(B) not expended by the unit within one year after receipt from the Secretary.

(2) **PENALTY FOR FAILURE TO REPAY.**—If the amount required to be repaid is not repaid, the Secretary shall reduce payments in future payment periods accordingly.

(3) **DEPOSIT OF AMOUNTS REPAYED.**—Amounts received by the Secretary as repayments under this subsection shall be deposited in the Local Government Fiscal Assistance Fund for future payments to units of general local government.

(f) **EXPENDITURE WITH DISADVANTAGED BUSINESS ENTERPRISES.**—

(1) **GENERAL RULE.**—Of amounts paid to a unit of general local government under this chapter for a payment period, not less than 10 percent of the total combined amounts obligated by the unit for contracts and subcontracts shall be expended with—

(A) small business concerns controlled by socially and economically disadvantaged individuals and women;

(B) historically Black colleges and universities and colleges and universities having a student body in which more than 20 percent of the students are Hispanic Americans or Native Americans; and

(C) qualified HUBZone small business concerns.

(2) **EXCEPTION.**—Paragraph (1) shall not apply to amounts paid to a unit of general local government to the extent the unit determines that the paragraph does not apply through a process that provides for public participation.

(3) **DEFINITIONS.**—For purposes of this subsection—

(A) the term “small business concern” has the meaning such term has under section 3 of the Small Business Act;

(B) the term “socially and economically disadvantaged individuals” has the meaning such term has under section 8(d) of the Small Business Act and relevant subcontracting regulations promulgated pursuant to that section; and

(C) the term “qualified HUBZone small business concern” has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)<sup>1</sup>).

(g) **NONSUPPLANTING REQUIREMENT.**—

(1) **IN GENERAL.**—Funds made available under this chapter to units of local government shall not be used to supplant State or local funds, but will be used to increase the amount of funds that would, in the absence of funds under this chapter, be made available from State or local sources.

(2) **BASE LEVEL AMOUNT.**—The total level of funding available to a unit of local govern-

ment for accounts serving eligible purposes under this chapter in the fiscal year immediately preceding receipt of a grant under this chapter shall be designated the “base level account” for the fiscal year in which a grant is received. Grants under this chapter in a given fiscal year shall be reduced on a dollar for dollar basis to the extent that a unit of local government reduces its base level account in that fiscal year.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1859; amended Pub. L. 105-135, title VI, §604(e)(2), Dec. 2, 1997, 111 Stat. 2633.)

#### REFERENCES IN TEXT

Sections 3 and 8(d) of the Small Business Act, referred to in subsec. (f)(3), are classified to sections 632 and 637(d), respectively, of Title 15, Commerce and Trade.

#### PRIOR PROVISIONS

A prior section 6701, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1010; Pub. L. 98-185, §§2, 9(a), Nov. 30, 1983, 97 Stat. 1309, 1311, related to definitions and application of chapter, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### AMENDMENTS

1997—Subsec. (f)(1)(C). Pub. L. 105-135, §604(e)(2)(A), added subpar. (C).

Subsec. (f)(3)(C). Pub. L. 105-135, §604(e)(2)(B), added subpar. (C).

#### EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-135 effective Oct. 1, 1997, see section 3 of Pub. L. 105-135, set out as a note under section 631 of Title 15, Commerce and Trade.

#### REGULATIONS

Section 31001(b) of Pub. L. 103-322 provided that: “Within 90 days of the date of enactment of this Act [Sept. 13, 1994] the Secretary shall issue regulations, which may be interim regulations, to implement subsection (a) [enacting this chapter], modifying the regulations for carrying into effect the Revenue Sharing Act [former chapter 67 of this title] that were in effect as of July 1, 1987, and that were published in 31 C.F.R. part 51. The Secretary need not hold a public hearing before issuing these regulations.”

### § 6702. Local Government Fiscal Assistance Fund

(a) **ADMINISTRATION OF FUND.**—The Department of the Treasury has a Local Government Fiscal Assistance Fund, which consists of amounts appropriated to the Fund.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Fund—

- (1) \$270,000,000 for fiscal year 1996;
- (2) \$283,500,000 for fiscal year 1997;
- (3) \$355,500,000 for fiscal year 1998;
- (4) \$355,500,000 for fiscal year 1999; and
- (5) \$355,500,000 for fiscal year 2000.

Such sums are to remain available until expended.

(c) **ADMINISTRATIVE COSTS.**—Up to 2.5 percent of the amount authorized to be appropriated under subsection (b) is authorized to be appropriated for the period fiscal year 1995 through fiscal year 2000 to be available for administrative costs by the Secretary in furtherance of the purposes of the program. Such sums are to remain available until expended.

<sup>1</sup> So in original. Probably should be “632(p)”.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1861.)

#### PRIOR PROVISIONS

A prior section 6702, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1012, related to payments to governments, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### DEFICIT NEUTRALITY

Section 31001(c) of title III of Pub. L. 103-322 provided that: "Any appropriation to carry out the amendment made by this subtitle [subtitle J (§§31001, 31002) of title III of Pub. L. 103-322, enacting this chapter] to title 31, United States Code, for fiscal year 1995 or 1996 shall be offset by cuts elsewhere in appropriations for that fiscal year."

### § 6703. Qualification for payment

(a) IN GENERAL.—The Secretary shall issue regulations establishing procedures under which eligible units of general local government are required to provide notice to the Secretary of the units' proposed use of assistance under this chapter. Subject to subsection (c), the assistance provided shall be used, in amounts determined by the unit, for activities under, or for activities that are substantially similar to an activity under, 1 or more of the following programs and the notice shall identify 1 or more of the following programs for each such use:

(1) The Drug Abuse Resistance Education Program under section 5122 of the Elementary and Secondary Education Act of 1965.

(2) The National Youth Sports Program under section 682 of the Community Services Block Grant Act (Public Law 97-35) as amended by section 205, Public Law 103-252.

(3) The Gang Resistance Education and Training Program under the Act entitled "An Act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1991, and for other purposes", approved November 5, 1990 (Public Law 101-509).

(4) Programs under title I of the Workforce Investment Act of 1998.

(5) Programs under subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.), as amended.

(6) Programs under the School to Work Opportunities Act (Public Law 103-239).

(7) Substance Abuse Treatment and Prevention programs authorized under title V or XIX of the Public Health Services Act (43 U.S.C. 201 et seq.).<sup>1</sup>

(8) Programs under the Head Start Act (42 U.S.C. 9831 et seq.).

(9) Programs under part A or B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

(10) The TRIO programs under part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(11) Programs under the National Literacy Act of 1991.

(12) Programs under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

(13) The demonstration partnership programs including the community initiative targeted to minority youth under section 203<sup>1</sup> of the Human Services Reauthorization Act of 1994 (Public Law 103-252).

(14) The runaway and homeless youth program and the transitional living program for homeless youth under title III of the Juvenile Justice and Delinquency Prevention Act (Public Law 102-586).

(15) After-school activities for school aged children under the Child Care and Development Block Grant Act (42 U.S.C. 9858 et seq.).

(16) The community-based family resource programs under section 401<sup>1</sup> of the Human Services Reauthorization Act of 1994 (Public Law 103-252).

(17) The family violence programs under the Child Abuse Prevention and Treatment Act Amendments of 1984.

(18) Job training programs administered by the Department of Agriculture, the Department of Defense, or the Department of Housing and Urban Development.

(b) NOTICE TO AGENCY.—Upon receipt of notice under subsection (a) from an eligible unit of general local government, the Secretary shall notify the head of the appropriate Federal agency for each program listed in subsection (a) that is identified in the notice as a program under which an activity will be conducted with assistance under this chapter. The notification shall state that the unit has elected to use some or all of its assistance under this chapter for activities under that program. The head of a Federal agency that receives such a notification shall ensure that such use is in compliance with the laws and regulations applicable to that program, except that any requirement to provide matching funds shall not apply to that use.

#### (c) ALTERNATIVE USES OF FUNDS.—

(1) ALTERNATIVE USES AUTHORIZED.—In lieu of, or in addition to, use for an activity described in subsection (a) and notice for that use under subsection (a), an eligible unit of general local government may use assistance under this chapter, and shall provide notice of that use to the Secretary under subsection (a), for any other activity that is consistent with 1 or more of the purposes described in section 6701(a)(2).

(2) NOTICE DEEMED TO DESCRIBE CONSISTENT USE.—Notice by a unit of general local government that it intends to use assistance under this chapter for an activity other than an activity described in subsection (a) is deemed to describe an activity that is consistent with 1 or more of the purposes described in section 6701(a)(2) unless the Secretary provides to the unit, within 30 days after receipt of that notice of intent from the unit, written notice (including an explanation) that the use is not consistent with those purposes.

(d) GENERAL REQUIREMENTS FOR QUALIFICATION.—A unit of general local government qualifies for a payment under this chapter for a payment period only after establishing to the satisfaction of the Secretary that—

(1) the government will establish a trust fund in which the government will deposit all payments received under this chapter;

<sup>1</sup> See References in Text note below.

(2) the government will use amounts in the trust fund (including interest) during a reasonable period;

(3) the government will expend the payments so received, in accordance with the laws and procedures that are applicable to the expenditure of revenues of the government;

(4) if at least 25 percent of the pay of individuals employed by the government in a public employee occupation is paid out of the trust fund, individuals in the occupation any part of whose pay is paid out of the trust fund will receive pay at least equal to the prevailing rate of pay for individuals employed in similar public employee occupations by the government;

(5) all laborers and mechanics employed by contractors or subcontractors in the performance of any contract and subcontract for the repair, renovation, alteration, or construction, including painting and decorating, of any building or work that is financed in whole or in part by a grant under this title, shall be paid wages not less than those determined by the Secretary of Labor in accordance with sections 3141-3144, 3146, and 3147 of title 40. The Secretary of Labor shall have the authority and functions set forth in Reorganization Plan No. 14 of 1950 (15 FR 3176; 64 Stat. 1267) and section 3145 of title 40;

(6) the government will use accounting, audit, and fiscal procedures that conform to guidelines which shall be prescribed by the Secretary. As applicable, amounts received under this chapter shall be audited in compliance with the Single Audit Act of 1984;

(7) after reasonable notice to the government, the government will make available to the Secretary and the Comptroller General of the United States, with the right to inspect, records the Secretary reasonably requires to review compliance with this chapter or the Comptroller General of the United States reasonably requires to review compliance and operations under section 6718(b);

(8) the government will make reports the Secretary reasonably requires, in addition to the annual reports required under section 6719(b); and

(9) the government will spend the funds only for the purposes set forth in section 6701(a)(2).

(e) REVIEW BY GOVERNORS.—A unit of general local government shall give the chief executive officer of the State in which the government is located an opportunity for review and comment before establishing compliance with subsection (d).

(f) SANCTIONS FOR NONCOMPLIANCE.—

(1) IN GENERAL.—If the Secretary decides that a unit of general local government has not complied substantially with subsection (d) or regulations prescribed under subsection (d), the Secretary shall notify the government. The notice shall state that if the government does not take corrective action by the 60th day after the date the government receives the notice, the Secretary will withhold additional payments to the government for the current payment period and later payment periods until the Secretary is satisfied that the government—

(A) has taken the appropriate corrective action; and

(B) will comply with subsection (d) and regulations prescribed under subsection (d).

(2) NOTICE.—Before giving notice under paragraph (1), the Secretary shall give the chief executive officer of the unit of general local government reasonable notice and an opportunity for comment.

(3) PAYMENT CONDITIONS.—The Secretary may make a payment to a unit of general local government notified under paragraph (1) only if the Secretary is satisfied that the government—

(A) has taken the appropriate corrective action; and

(B) will comply with subsection (d) and regulations prescribed under subsection (d).

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1861; amended Pub. L. 104-316, title I, §115(j), Oct. 19, 1996, 110 Stat. 3835; Pub. L. 105-277, div. A, §101(f) [title VIII, §405(c)(3), (d)(27), (f)(19)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-417, 2681-424, 2681-432; Pub. L. 107-217, §3(h)(8), Aug. 21, 2002, 116 Stat. 1300; Pub. L. 109-270, §2(i), Aug. 12, 2006, 120 Stat. 748.)

#### REFERENCES IN TEXT

The Elementary and Secondary Education Act of 1965, referred to in subsec. (a)(1), (9), is Pub. L. 89-10, Apr. 11, 1965, 79 Stat. 27, as amended. Parts A and B of chapter 1 of title I of the Act were classified generally to parts A (§2711 et seq.) and B (§2741 et seq.) of division 1 of subchapter I of chapter 47 of Title 20, Education, prior to being omitted in the general amendment of Pub. L. 89-10 by Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3519. See part A (§6311 et seq.) and subpart 3 (§6381 et seq.) of part B of subchapter I of chapter 70 of Title 20. Section 5122 of the Act was classified to section 3192 of Title 20 prior to being omitted in the general amendment of Pub. L. 89-10 by Pub. L. 103-382. A new section 5122 of the Act, relating to applications for assistance under educational reform programs, was added by Pub. L. 107-110 and is classified to section 7213a of Title 20.

Section 682 of the Community Services Block Grant Act, referred to in subsec. (a)(2), which was classified to section 9910c of Title 42, The Public Health and Welfare, was omitted in the general amendment of chapter 106 of Title 42, by Pub. L. 105-285, title II, §201, Oct. 27, 1998, 112 Stat. 2728. A new section 682 of the Act, containing similar subject matter, is classified to section 9923 of Title 42.

Public Law 101-509, referred to in subsec. (a)(3), is Pub. L. 101-509, Nov. 5, 1990, 104 Stat. 1389. For complete classification of this Act to the Code, see Tables.

The Workforce Investment Act of 1998, referred to in subsec. (a)(4), is Pub. L. 105-220, Aug. 7, 1998, 112 Stat. 936, as amended. Title I of the Act is classified principally to chapter 30 (§2801 et seq.) of Title 29, Labor. For complete classification of this Act to the Code, see Short Title note set out under section 9201 of Title 20, Education, and Tables.

The National and Community Service Act of 1990, referred to in subsec. (a)(5), is Pub. L. 101-610, Nov. 16, 1990, 104 Stat. 3127, as amended. Subtitle C of title I of the Act is classified generally to division C (§12571 et seq.) of subchapter I of chapter 129 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 12501 of Title 42 and Tables.

The School to Work Opportunities Act, referred to in subsec. (a)(6), probably means the School-to-Work Opportunities Act of 1994, Pub. L. 103-239, May 4, 1994, 108 Stat. 568, which is classified principally to chapter 69 (§6101 et seq.) of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 6101 of Title 20 and Tables.

The Public Health Services Act, referred to in subsec. (a)(7), probably means the Public Health Service Act, act July 1, 1944, ch. 373, 58 Stat. 682, as amended. Titles V and XIX of the Act are classified generally to subchapters III-A (§290aa et seq.) and XVII (§300w et seq.) of chapter 6A of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 201 of Title 42 and Tables.

The Head Start Act, referred to in subsec. (a)(8), is subchapter B (§§635-657) of chapter 8 of subtitle A of title VI of Pub. L. 97-35, Aug. 13, 1981, 95 Stat. 499, as amended, which is classified generally to subchapter II (§9831 et seq.) of chapter 105 of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 9801 of Title 42 and Tables.

The Higher Education Act of 1965, referred to in subsec. (a)(10), is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, as amended. Part A of title IV of the Act is classified generally to part A (§1070 et seq.) of subchapter IV of chapter 28 of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 20 and Tables.

The National Literacy Act of 1991, referred to in subsec. (a)(11), is Pub. L. 102-73, July 25, 1991, 105 Stat. 333, which was repealed by Pub. L. 105-220, title II, §251(a)(2), Aug. 7, 1998, 112 Stat. 1079. For complete classification of this Act to the Code, see Tables.

The Carl D. Perkins Career and Technical Education Act of 2006, referred to in subsec. (a)(12), is Pub. L. 88-210, Dec. 18, 1963, 77 Stat. 403, as amended generally by Pub. L. 109-270, §1(b), Aug. 12, 2006, 120 Stat. 683, which is classified generally to chapter 44 (§2301 et seq.) of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 2301 of Title 20 and Tables.

Sections 203 and 401 of the Human Services Reauthorization Act of 1994 (Public Law 103-252), referred to in subsec. (a)(13), (16), probably mean sections 203 and 401 of the Human Services Amendments of 1994, Pub. L. 103-252, May 18, 1994, 108 Stat. 654, 666. Section 203 of Pub. L. 103-252 amended section 9910 of Title 42, The Public Health and Welfare. Section 401 of Pub. L. 103-252 generally amended subchapter III (§5116 et seq.) of chapter 67 of Title 42 and repealed sections 5106a-1 and 12339 of Title 42.

The Juvenile Justice and Delinquency Prevention Act, referred to in subsec. (a)(14), probably means the Juvenile Justice and Delinquency Prevention Act of 1974, Pub. L. 93-415, Sept. 7, 1974, 88 Stat. 1109, as amended. Title III of the Act is classified generally to subchapter III (§5701 et seq.) of chapter 72 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 5601 of Title 42 and Tables.

The Child Care and Development Block Grant Act, referred to in subsec. (a)(15), probably means the Child Care and Development Block Grant Act of 1990, subchapter C (§658A et seq.) of chapter 8 of subtitle A of title VI of Pub. L. 97-35, as added by Pub. L. 101-508, title V, §5082(2), Nov. 5, 1990, 104 Stat. 1388-236, as amended, which is classified generally to subchapter II-B (§9858 et seq.) of chapter 105 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 9801 of Title 42 and Tables.

The Child Abuse Prevention and Treatment Act Amendments of 1984, referred to in subsec. (a)(17), probably means the Child Abuse Amendments of 1984, Pub. L. 98-457, Oct. 9, 1984, 98 Stat. 1749, as amended. Title III of the Act, relating to family violence programs, is classified generally to chapter 110 (§10401 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title of 1984 Amendment note set out under section 5101 of Title 42 and Tables.

Reorganization Plan No. 14 of 1950, referred to in subsec. (d)(5), is set out in the Appendix to Title 5, Government Organization and Employees.

The Single Audit Act of 1984, referred to in subsec. (d)(6), is Pub. L. 98-502, Oct. 19, 1984, 98 Stat. 2327, which

enacted chapter 75 (§7501 et seq.) of this title and provisions set out as notes under section 7501 of this title. For complete classification of this Act to the Code, see Short Title of 1984 Amendment note set out under section 7501 of this title and Tables.

#### PRIOR PROVISIONS

A prior section 6703, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1012; Pub. L. 98-185, §3, Nov. 30, 1983, 97 Stat. 1309, related to State and Local Government Fiscal Assistance Trust Fund, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### AMENDMENTS

2006—Subsec. (a)(12). Pub. L. 109-270 which directed the substitution of “Carl D. Perkins Career and Technical Education Act of 2006” for “Carl D. Perkins Vocational and Applied Technology Education Act”, was executed by making the substitution for “Carl Perkins Vocational Educational and Applied Technology Education Act” to reflect the probable intent of Congress.

2002—Subsec. (d)(5). Pub. L. 107-217 substituted “sections 3141-3144, 3146, and 3147 of title 40” for “the Act of March 3, 1931 (commonly known as the Davis-Bacon Act); as amended (40 U.S.C. 276a-276a-5)” and “section 3145 of title 40” for “section 2 of the Act of June 1, 1934 (commonly known as the Copeland Anti-Kickback Act), as amended (40 U.S.C. 276c, 48 Stat. 948)”.

1998—Subsec. (a)(4). Pub. L. 105-277, §101(f) [title VIII, §405(f)(19)], added par. (4) and struck out former par. (4) which read as follows: “Programs under title II or IV of the Job Training Partnership Act or under title I of the Workforce Investment Act of 1998.”

Pub. L. 105-277, §101(f) [title VIII, §405(d)(27)], added par. (4) and struck out former par. (4) which read as follows: “Programs under title II or IV of the Job Training Partnership Act (29 U.S.C. 1601 et seq.).”

Subsec. (a)(15) to (19). Pub. L. 105-277, §101(f) [title VIII, §405(c)(3)], redesignated pars. (16) to (19) as (15) to (18), respectively, and struck out former par. (15) which read as follows: “The family support program under subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.).”

1996—Subsec. (d)(6). Pub. L. 104-316 struck out “after consultation with the Comptroller General of the United States” after “by the Secretary”.

#### EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by section 101(f) [title VIII, §405(c)(3), (d)(27)] of Pub. L. 105-277 effective Oct. 21, 1998, and amendment by section 101(f) [title VIII, §405(f)(19)] of Pub. L. 105-277 effective July 1, 2000, see section 101(f) [title VIII, §405(g)(1), (2)(B)] of Pub. L. 105-277, set out as a note under section 3502 of Title 5, Government Organization and Employees.

#### §6704. State area allocations; allocations and payments to territorial governments

(a) **FORMULA ALLOCATION BY STATE.**—For each payment period, the Secretary shall allocate to each State out of the amount appropriated for the period under the authority of section 6702(b) (minus the amounts allocated to territorial governments under subsection (e) for the payment period) an amount bearing the same ratio to the amount appropriated (minus such amounts allocated under subsection (e)) as the amount allocated to the State under this section bears to the total amount allocated to all States under this section. The Secretary shall—

(1) determine the amount allocated to the State under subsection (b) or (c) of this section and allocate the larger amount to the State; and

(2) allocate the amount allocated to the State to units of general local government in the State under sections 6705 and 6706.

## (b) GENERAL FORMULA.—

(1) IN GENERAL.—For the payment period beginning October 1, 1994, the amount allocated to a State under this subsection for a payment period is the amount bearing the same ratio to \$5,300,000,000 as—

(A) the population of the State, multiplied by the general tax effort factor of the State (determined under paragraph (2)), multiplied by the relative income factor of the State (determined under paragraph (3)), multiplied by the relative rate of the labor force unemployed in the State (determined under paragraph (4)); bears to

(B) the sum of the products determined under subparagraph (A) of this paragraph for all States.

(2) GENERAL TAX EFFORT FACTOR.—The general tax effort factor of a State for a payment period is—

(A) the net amount of State and local taxes of the State collected during the year 1991 as reported by the Bureau of the Census in the publication Government Finances 1990–1991; divided by

(B) the total income of individuals, as determined by the Secretary of Commerce for national accounts purposes for 1992 as reported in the publication Survey of Current Business (August 1993), attributed to the State for the same year.

(3) RELATIVE INCOME FACTOR.—The relative income factor of a State is a fraction in which—

(A) the numerator is the per capita income of the United States; and

(B) the denominator is the per capita income of the State.

(4) RELATIVE RATE OF LABOR FORCE.—The relative rate of the labor force unemployed in a State is a fraction in which—

(A) the numerator is the percentage of the labor force of the State that is unemployed in the calendar year preceding the payment period (as determined by the Secretary of Labor for general statistical purposes); and

(B) the denominator is the percentage of the labor force of the United States that is unemployed in the calendar year preceding the payment period (as determined by the Secretary of Labor for general statistical purposes).

(c) ALTERNATIVE FORMULA.—For the payment period beginning October 1, 1994, the amount allocated to a State under this subsection for a payment period is the total amount the State would receive if—

(1) \$1,166,666,667 were allocated among the States on the basis of population by allocating to each State an amount bearing the same ratio to the total amount to be allocated under this paragraph as the population of the State bears to the population of all States;

(2) \$1,166,666,667 were allocated among the States on the basis of population inversely weighted for per capita income, by allocating to each State an amount bearing the same ratio to the total amount to be allocated under this paragraph as—

(A) the population of the State, multiplied by a fraction in which—

(i) the numerator is the per capita income of all States; and

(ii) the denominator is the per capita income of the State; bears to

(B) the sum of the products determined under subparagraph (A) for all States;

(3) \$600,000,000 were allocated among the States on the basis of income tax collections by allocating to each State an amount bearing the same ratio to the total amount to be allocated under this paragraph as the income tax amount of the State (determined under subsection (d)(1)) bears to the sum of the income tax amounts of all States;

(4) \$600,000,000 were allocated among the States on the basis of general tax effort by allocating to each State an amount bearing the same ratio to the total amount to be allocated under this paragraph as the general tax effort amount of the State (determined under subsection (d)(2)) bears to the sum of the general tax effort amounts of all States;

(5) \$600,000,000 were allocated among the States on the basis of unemployment by allocating to each State an amount bearing the same ratio to the total amount to be allocated under this paragraph as—

(A) the labor force of the State, multiplied by a fraction in which—

(i) the numerator is the percentage of the labor force of the State that is unemployed in the calendar year preceding the payment period (as determined by the Secretary of Labor for general statistical purposes); and

(ii) the denominator is the percentage of the labor force of the United States that is unemployed in the calendar year preceding the payment period (as determined by the Secretary of Labor for general statistical purposes)

bears to

(B) the sum of the products determined under subparagraph (A) for all States; and

(6) \$1,166,666,667 were allocated among the States on the basis of urbanized population by allocating to each State an amount bearing the same ratio to the total amount to be allocated under this paragraph as the urbanized population of the State bears to the urbanized population of all States. In this paragraph, the term “urbanized population” means the population of an area consisting of a central city or cities of at least 50,000 inhabitants and the surrounding closely settled area for the city or cities considered as an urbanized area as published by the Bureau of the Census for 1990 in the publication General Population Characteristics for Urbanized Areas.

(d) INCOME TAX AMOUNT AND TAX EFFORT AMOUNT.—

(1) INCOME TAX AMOUNT.—The income tax amount of a State for a payment period is 15 percent of the net amount collected during the calendar year ending before the beginning of the payment period from the tax imposed on the income of individuals by the State and de-

scribed as a State income tax under section 164(a)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 164(a)(3)). The income tax amount for a payment period shall be at least 1 percent but not more than 6 percent of the United States Government individual income tax liability attributed to the State for the taxable year ending during the last calendar year ending before the beginning of the payment period. The Secretary shall determine the Government income tax liability attributed to the State by using the data published by the Secretary for 1991 in the publication *Statistics of Income Bulletin* (Winter 1993–1994).

(2) GENERAL TAX EFFORT AMOUNT.—The general tax effort amount of a State for a payment period is the amount determined by multiplying—

(A) the net amount of State and local taxes of the State collected during the year 1991 as reported in the Bureau of<sup>1</sup> Census in the publication *Government Finances 1990–1991*; and

(B) the general tax effort factor of the State determined under subsection (b)(2).

(e) ALLOCATION FOR PUERTO RICO, GUAM, AMERICAN SAMOA, AND THE VIRGIN ISLANDS.—

(1) IN GENERAL.—(A) For each payment period for which funds are available for allocation under this chapter, the Secretary shall allocate to each territorial government an amount equal to the product of 1 percent of the amount of funds available for allocation multiplied by the applicable territorial percentage.

(B) For the purposes of this paragraph, the applicable territorial percentage of a territory is equal to the quotient resulting from the division of the territorial population of such territory by the sum of the territorial population for all territories.

(2) PAYMENTS TO LOCAL GOVERNMENTS.—The governments of the territories shall make payments to local governments within their jurisdiction from sums received under this subsection as they consider appropriate.

(3) DEFINITIONS.—For purposes of this subsection—

(A) the term “territorial government” means the government of a territory;

(B) the term “territory” means Puerto Rico, Guam, American Samoa, and the Virgin Islands; and

(C) the term “territorial population” means the most recent population for each territory as determined by the Bureau of<sup>1</sup> Census.

(Added Pub. L. 103–322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1864.)

#### PRIOR PROVISIONS

A prior section 6704, Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 1013; Pub. L. 98–185, §9(b), Nov. 30, 1983, 97 Stat. 1311, related to qualifications of State or local governments for payments under this chapter, prior to repeal by Pub. L. 99–272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### § 6705. Local government allocations

(a) INDIAN TRIBES AND ALASKAN NATIVES VILLAGES.—If there is in a State an Indian tribe or Alaskan native<sup>1</sup> village having a recognized governing body carrying out substantial governmental duties and powers, the Secretary shall allocate to the tribe or village, out of the amount allocated to the State under section 6704, an amount bearing the same ratio to the amount allocated to the State as the population of the tribe or village bears to the population of the State. The Secretary shall allocate amounts under this subsection to Indian tribes and Alaskan native<sup>1</sup> villages in a State before allocating amounts to units of general local government in the State under subsection (c). For the payment period beginning October 1, 1994, the Secretary shall use as the population of each Indian tribe or Alaskan native<sup>1</sup> village the population for 1991 as reported by the Bureau of Indian Affairs in the publication *Indian Service Population and Labor Force Estimates* (January 1991). In addition to uses authorized under section 6701(a)(2), amounts allocated under this subsection and paid to an Indian tribe or Alaskan native<sup>1</sup> village under this chapter may be used for renovating or building prisons or other correctional facilities.

(b) NEWLY INCORPORATED LOCAL GOVERNMENTS AND ANNEXED GOVERNMENTS.—If there is in a State a unit of general local government that has been incorporated since the date of the collection of the data used by the Secretary in making allocations pursuant to sections 6704 through 6706 and 6708, the Secretary shall allocate to this newly incorporated local government, out of the amount allocated to the State under section 6704, an amount bearing the same ratio to the amount allocated to the State as the population of the newly incorporated local government bears to the population of the State. If there is in the State a unit of general local government that has been annexed since the date of the collection of the data used by the Secretary in making allocations pursuant to sections 6704 through 6706 and 6708, the Secretary shall pay the amount that would have been allocated to this local government to the unit of general local government that annexed it.

(c) OTHER LOCAL GOVERNMENT ALLOCATIONS.—

(1) IN GENERAL.—The Secretary shall allocate among the units of general local government in a State (other than units receiving allocations under subsection (a)) the amount allocated to the State under section 6704 (as that amount is reduced by allocations under subsection (a)). Of the amount to be allocated, the Secretary shall allocate a portion equal to  $\frac{1}{2}$  of such amount in accordance with section 6706(1), and shall allocate a portion equal to  $\frac{1}{2}$  of such amount in accordance with section 6706(2). A unit of general local government shall receive an amount equal to the sum of amounts allocated to the unit from each portion.

(2) RATIO.—From each portion to be allocated to units of local government in a State

<sup>1</sup> So in original. Probably should be “of the”.

<sup>1</sup> So in original. Probably should be capitalized.

under paragraph (1), the Secretary shall allocate to a unit an amount bearing the same ratio to the funds to be allocated as—

(A) the population of the unit, multiplied by the general tax effort factor of the unit (determined under paragraph (3)), multiplied by the income gap of the unit (determined under paragraph (4)), bears to

(B) the sum of the products determined under subparagraph (A) for all units in the State for which the income gap for that portion under paragraph (4) is greater than zero.

(3) GENERAL TAX EFFORT FACTOR.—(A) Except as provided in subparagraph (C), the general tax effort factor of a unit of general local government for a payment period is—

(i) the adjusted taxes of the unit; divided by

(ii) the total income attributed to the unit.

(B) If the amount determined under subparagraphs (A)(i) and (ii) for a unit of general local government is less than zero, the general tax effort factor of the unit is deemed to be zero.

(C)(i) Except as otherwise provided in this subparagraph, for the payment period beginning October 1, 1994, the adjusted taxes of a unit of general local government are the taxes imposed by the unit for public purposes (except employee and employer assessments and contributions to finance retirement and social insurance systems and other special assessments for capital outlay), as determined by the Bureau of the Census for the 1987 Census of Governments and adjusted as follows:

(I) Adjusted taxes equals total taxes times a fraction in which the numerator is the sum of unrestricted revenues and revenues dedicated for spending on education minus total education spending and the denominator is total unrestricted revenues.

(II) Total taxes is the sum of property tax; general sales tax; alcoholic beverage tax; amusement tax; insurance premium tax; motor fuels tax; parimutuels tax; public utilities tax; tobacco tax; other selective sales tax; alcoholic beverage licenses, amusement licenses; corporation licenses, hunting and fishing licenses; motor vehicle licenses; motor vehicle operator licenses; public utility licenses; occupation and business licenses, not elsewhere classified; other licenses, individual income tax; corporation net income tax; death and gift tax; documentary and stock transfer tax; severance tax; and taxes not elsewhere classified.

(III) Unrestricted revenues is the sum of total taxes and intergovernmental revenue from Federal Government, general revenue sharing; intergovernmental revenue from Federal Government, other general support; intergovernmental revenue from Federal Government, other; intergovernmental revenue from State government, other general support; intergovernmental revenue from State government, other; intergovernmental revenue from local governments, other general support; intergovernmental revenue from local governments, other; miscellaneous general revenue, property sale-housing

and community development; miscellaneous general revenue, property sale-other property; miscellaneous general revenue, interest earnings on investments; miscellaneous general revenue, fines and forfeits; miscellaneous general revenue, rents; miscellaneous general revenues, royalties; miscellaneous general revenue, donations from private sources; miscellaneous general revenue, net lottery revenue (after prizes and administrative expenses); miscellaneous general revenue, other miscellaneous general revenue; and all other general charges, not elsewhere classified.

(IV) Revenues dedicated for spending on education is the sum of elementary and secondary education, school lunch; elementary and secondary education, tuition; elementary and secondary education, other; higher education, auxiliary enterprises; higher education, other; other education, not elsewhere classified; intergovernmental revenue from Federal Government, education; intergovernmental revenue from State government, education; intergovernmental revenue from local governments, interschool system revenue; intergovernmental revenue from local governments, education; interest earnings, higher education; interest earnings, elementary and secondary education; miscellaneous revenues, higher education; and miscellaneous revenues, elementary and secondary education.

(V) Total education spending is the sum of elementary and secondary education, current operations; elementary and secondary education, construction; elementary and secondary education, other capital outlays; elementary and secondary education, to State governments; elementary and secondary education, to local governments, not elsewhere classified; elementary and secondary education, to counties; elementary and secondary education, to municipalities; elementary and secondary education, to townships; elementary and secondary education, to school districts; elementary and secondary education, to special districts; higher education-auxiliary enterprises, current operations; higher education-auxiliary enterprises, construction; higher education, auxiliary enterprises, other capital outlays; other higher education, current operations; other higher education, construction; other higher education, other capital outlays; other higher education, to State government; other higher education, to local governments, not elsewhere classified; other higher education, to counties; other higher education, to municipalities; other higher education, to townships; other higher education, to school districts; other higher education, to special districts; education assistance and subsidies; education, not elsewhere classified, current operations; education, not elsewhere classified, construction<sup>2</sup> education, not elsewhere classified, other capital outlays; education, not elsewhere classified, to State government; education, not elsewhere classified, to

<sup>2</sup> So in original. Probably should be followed by a semicolon.



local governments, not elsewhere classified; education, not elsewhere classified, to counties; education, not elsewhere classified, to municipalities; education, not elsewhere classified, to townships; education, not elsewhere classified, to school districts; education, not elsewhere classified, to special districts; and education, not elsewhere classified, to Federal Government.

(VI) If the amount of adjusted taxes is less than zero, the amount of adjusted tax shall be deemed to be zero.

(VII) If the amount of adjusted taxes exceeds the amount of total taxes, the amount of adjusted taxes is deemed to equal the amount of total taxes.

(ii) The Secretary shall, for purposes of clause (i), include that part of sales taxes transferred to a unit of general local government that are imposed by a county government in the geographic area of which is located the unit of general local government as taxes imposed by the unit for public purposes if—

(I) the county government transfers any part of the revenue from the taxes to the unit of general local government without specifying the purpose for which the unit of general local government may expend the revenue; and

(II) the chief executive officer of the State notifies the Secretary that the taxes satisfy the requirements of this clause.

(iii) The adjusted taxes of a unit of general local government shall not exceed the maximum allowable adjusted taxes for that unit.

(iv) The maximum allowable adjusted taxes for a unit of general local government is the allowable adjusted taxes of the unit minus the excess adjusted taxes of the unit.

(v) The allowable adjusted taxes of a unit of general government is the greater of—

(I) the amount equal to 2.5, multiplied by the per capita adjusted taxes of all units of general local government of the same type in the State, multiplied by the population of the unit; or

(II) the amount equal to the population of the unit, multiplied by the sum of the adjusted taxes of all units of municipal local government in the State, divided by the sum of the populations of all the units of municipal local government in the State.

(vi) The excess adjusted taxes of a unit of general local government is the amount equal to—

(I) the adjusted taxes of the unit, minus

(II) 1.5 multiplied by the allowable adjusted taxes of the unit;

except that if this amount is less than zero then the excess adjusted taxes of the unit is deemed to be zero.

(vii) For purposes of this subparagraph—

(I) the term “per capita adjusted taxes of all units of general local government of the same type” means the sum of the adjusted taxes of all units of general local government of the same type divided by the sum of the populations of all units of general local government of the same type; and

(II) the term “units of general local government of the same type” means all townships if the unit of general local government is a township, all municipalities if the unit of general local government is a municipality, all counties if the unit of general local government is a county, or all unified city/county governments if the unit of general local government is a unified city/county government.

(4) INCOME GAP.—(A) Except as provided in subparagraph (B), the income gap of a unit of general local government is—

(i) the number which applies under section 6706, multiplied by the per capita income of the State in which the unit is located; minus

(ii) the per capita income of the geographic area of the unit.

(B) If the amount determined under subparagraph (A) for a unit of general local government is less than zero, then the relative income factor of the unit is deemed to be zero.

(d) SMALL GOVERNMENT ALLOCATIONS.—If the Secretary decides that information available for a unit of general local government with a population below a number (of not more than 500) prescribed by the Secretary is inadequate, the Secretary may allocate to the unit, in lieu of any allocation under subsection (b) for a payment period, an amount bearing the same ratio to the total amount to be allocated under subsection (b) for the period for all units of general local government in the State as the population of the unit bears to the population of all units in the State.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1867.)

#### PRIOR PROVISIONS

A prior section 6705, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1014, related to State government allocations, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### § 6706. Income gap multiplier

For purposes of determining the income gap of a unit of general local government under section 6705(b)(4)(A),<sup>1</sup> the number which applies is—

(1) 1.6, with respect to  $\frac{1}{2}$  of any amount allocated under section 6704 to the State in which the unit is located; and

(2) 1.2, with respect to the remainder of such amount.

(Added Pub. L. 103-322, title III, §301001(a), Sept. 13, 1994, 108 Stat. 1871.)

#### PRIOR PROVISIONS

A prior section 6706, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1014, related to reductions in State government allocations, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### § 6707. State variation of local government allocations

(a) STATE FORMULA.—A State government may provide by law for the allocation of amounts

<sup>1</sup> So in original. Probably should be section “6705(c)(4)(A).”

among units of general local government in the State on the basis of population multiplied by the general tax effort factors or income gaps of the units of general local government determined under sections 6705(a) and (b)<sup>1</sup> or a combination of those factors. A State government providing for a variation of an allocation formula provided under sections 6705(a) and (b)<sup>1</sup> shall notify the Secretary of the variation by the 30th day before the beginning of the first payment period in which the variation applies. A variation shall—

- (1) provide for allocating the total amount allocated under sections 6705(a) and (b);<sup>1</sup> and
- (2) apply uniformly in the State.

(b) **CERTIFICATION.**—A variation by a State government under this section may apply only if the Secretary certifies that the variation complies with this section. The Secretary may certify a variation only if the Secretary is notified of the variation at least 30 days before the first payment period in which the variation applies.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1872.)

#### PRIOR PROVISIONS

A prior section 6707, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1016; Pub. L. 98-185, §9(c), Nov. 30, 1983, 97 Stat. 1312, related to State allocations for units of general local government, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### § 6708. Adjustments of local government allocations

(a) **MAXIMUM AMOUNT.**—The amount allocated to a unit of general local government for a payment period may not exceed the adjusted taxes imposed by the unit of general local government as determined under section 6705(b)(3).<sup>1</sup> Amounts in excess of adjusted taxes shall be paid to the Governor of the State in which the unit of local government is located.

(b) **DE MINIMIS ALLOCATIONS TO UNITS OF GENERAL LOCAL GOVERNMENT.**—If the amount allocated to a unit of general local government (except an Indian tribe or an Alaskan native<sup>2</sup> village) for a payment period would be less than \$5,000 but for this subsection or is waived by the governing authority of the unit of general local government, the Secretary shall pay the amount to the Governor of the State in which the unit is located.

(c) **USE OF PAYMENTS TO STATES.**—The Governor of a State shall use all amounts paid to the Governor under subsections (a) and (b) for programs described in section 6701(a)(2) in areas of the State where are located the units of general local government with respect to which amounts are paid under subsection (b).

(d) **DE MINIMIS ALLOCATIONS TO INDIAN TRIBES AND ALASKAN NATIVE VILLAGES.**—

- (1) **AGGREGATION OF DE MINIMIS ALLOCATIONS.**—If the amount allocated to an Indian tribe or an Alaskan native<sup>2</sup> village for a payment period would be less than \$5,000 but for this subsection or is waived by the chief elected official of the tribe or village, the amount—

(A) shall not be paid to the tribe or village (except under paragraph (2)); and

(B) shall be aggregated with other such amounts and available for use by the Attorney General under paragraph (2).

(2) **USE OF AGGREGATED AMOUNTS.**—Amounts aggregated under paragraph (1) for a payment period shall be available for use by the Attorney General to make grants in the payment period on a competitive basis to Indian Tribes<sup>3</sup> and Alaskan native<sup>2</sup> village<sup>4</sup> for—

(A) programs described in section 6701(a)(2); or

(B) renovating or building prisons or other correctional facilities.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1872.)

#### PRIOR PROVISIONS

A prior section 6708, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1017, related to county area and county government allocations, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### § 6709. Information used in allocation formulas

(a) **POPULATION DATA FOR PAYMENT PERIOD BEGINNING OCTOBER 1, 1994.**—For the payment period beginning October 1, 1994, the Secretary, in making allocations pursuant to sections 6704 through 6706 and 6708, shall use for the population of the States the population for 1992 as reported by the Bureau of the Census in the publication Current Population Reports, Series P-25, No. 1045 (July 1992) and for the population of units of general local government the Secretary shall use the population for 1990 as reported by the Bureau of the Census in the publication Summary Social, Economic, and Housing Characteristics.

(b) **DATA FOR PAYMENT PERIODS BEGINNING AFTER SEPTEMBER 30, 1995.**—For any payment period beginning after September 30, 1995, the Secretary, in making allocations pursuant to sections 6704 through 6706 and 6708, shall use information more recent than the information used for the payment period beginning October 1, 1994, provided the Secretary notifies the Committee on Government Operations of the House of Representatives at least 90 days prior to the beginning of the payment period that the Secretary has determined that the more recent information is more reliable than the information used for the payment period beginning October 1, 1994.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1873.)

#### PRIOR PROVISIONS

A prior section 6709, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1018; Pub. L. 97-452, §1(25), Jan. 12, 1983, 96 Stat. 2478; Pub. L. 98-185, §9(d), Nov. 30, 1983, 97 Stat. 1312, related to other local government allocations, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### CHANGE OF NAME

Committee on Government Operations of House of Representatives treated as referring to Committee on

<sup>1</sup> So in original. Probably should be "section 6705(a) and (c)".

<sup>1</sup> So in original. Probably should be section "6705(c)(3)".

<sup>2</sup> So in original. Probably should be capitalized.

<sup>3</sup> So in original. Probably should not be capitalized.

<sup>4</sup> So in original. Probably should be "villages".

Government Reform and Oversight of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Government Reform and Oversight of House of Representatives changed to Committee on Government Reform of House of Representatives by House Resolution No. 5, One Hundred Sixth Congress, Jan. 6, 1999. Committee on Government Reform of House of Representatives changed to Committee on Oversight and Government Reform of House of Representatives by House Resolution No. 6, One Hundred Tenth Congress, Jan. 5, 2007.

#### § 6710. Public participation

##### (a) HEARINGS.—

(1) IN GENERAL.—A unit of general local government expending payments under this chapter shall hold at least one public hearing on the proposed use of the payment in relation to its entire budget. At the hearing, persons shall be given an opportunity to provide written and oral views to the governmental authority responsible for enacting the budget and to ask questions about the entire budget and the relation of the payment to the entire budget. The government shall hold the hearing at a time and a place that allows and encourages public attendance and participation.

(2) SENIOR CITIZENS.—A unit of general local government holding a hearing required under this subsection or by the budget process of the government shall try to provide senior citizens and senior citizen organizations with an opportunity to present views at the hearing before the government makes a final decision on the use of the payment.

##### (b) DISCLOSURE OF INFORMATION.—

(1) IN GENERAL.—By the 10th day before a hearing required under subsection (a)(1) is held, a unit of general local government shall—

(A) make available for inspection by the public at the principal office of the government a statement of the proposed use of the payment and a summary of the proposed budget of the government; and

(B) publish in at least one newspaper of general circulation the proposed use of the payment with the summary of the proposed budget and a notice of the time and place of the hearing.

(2) AVAILABILITY.—By the 30th day after adoption of the budget under State or local law, the government shall—

(A) make available for inspection by the public at the principal office of the government a summary of the adopted budget, including the proposed use of the payment; and

(B) publish in at least one newspaper of general circulation a notice that the information referred to in subparagraph (A) is available for inspection.

##### (c) WAIVERS OF REQUIREMENTS.—A requirement—

(1) under subsection (a)(1) may be waived if the budget process required under the applicable State or local law or charter provisions—

(A) ensures the opportunity for public attendance and participation contemplated by subsection (a); and

(B) includes a hearing on the proposed use of a payment received under this chapter in relation to the entire budget of the government; and

(2) under subsection (b)(1)(B) and paragraph (2)(B) may be waived if the cost of publishing the information would be unreasonably burdensome in relation to the amount allocated to the government from amounts available for payment under this chapter, or if publication is otherwise impracticable.

(d) EXCEPTION TO 10-DAY LIMITATION.—If the Secretary is satisfied that a unit of general local government will provide adequate notice of the proposed use of a payment received under this chapter, the 10-day period under subsection (b)(1) may be changed to the extent necessary to comply with applicable State or local law.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1873.)

#### PRIOR PROVISIONS

A prior section 6710, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1020, related to separate law enforcement officer allocations for Louisiana, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### § 6711. Prohibited discrimination

(a) GENERAL PROHIBITION.—No person in the United States shall be excluded from participating in, be denied the benefits of, or be subject to discrimination under, a program or activity of a unit of general local government because of race, color, national origin, or sex if the government receives a payment under this chapter.

(b) ADDITIONAL PROHIBITIONS.—The following prohibitions and exemptions also apply to a program or activity of a unit of general local government if the government receives a payment under this chapter:

(1) A prohibition against discrimination because of age under the Age Discrimination Act of 1975.

(2) A prohibition against discrimination against an otherwise qualified handicapped individual under section 504 of the Rehabilitation Act of 1973.

(3) A prohibition against discrimination because of religion, or an exemption from that prohibition, under the Civil Rights Act of 1964 or title VIII of the Act of April 11, 1968 (popularly known as the Civil Rights Act of 1968).

(c) LIMITATIONS ON APPLICABILITY OF PROHIBITIONS.—Subsections (a) and (b) do not apply if the government shows, by clear and convincing evidence, that a payment received under this chapter is not used to pay for any part of the program or activity with respect to which the allegation of discrimination is made.

(d) INVESTIGATION AGREEMENTS.—The Secretary shall try to make agreements with heads of agencies of the United States Government and State agencies to investigate noncompliance with this section. An agreement shall—

(1) describe the cooperative efforts to be taken (including sharing civil rights enforcement personnel and resources) to obtain compliance with this section; and

(2) provide for notifying immediately the Secretary of actions brought by the United States Government or State agencies against a unit of general local government alleging a violation of a civil rights law or a regulation prescribed under a civil rights law.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1874.)

#### REFERENCES IN TEXT

The Age Discrimination Act of 1975, referred to in subsec. (b)(1), is title III of Pub. L. 94-135, Nov. 28, 1975, 89 Stat. 728, as amended, which is classified generally to chapter 76 (§6101 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 6101 of Title 42 and Tables.

Section 504 of the Rehabilitation Act of 1973, referred to in subsec. (b)(2), is classified to section 794 of Title 29, Labor.

The Civil Rights Act of 1964, referred to in subsec. (b)(3), is Pub. L. 88-352, July 2, 1964, 78 Stat. 241, as amended, which is classified principally to subchapters II to IX (§2000a et seq.) of chapter 21 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of Title 42 and Tables.

Title VIII of the Act of April 11, 1968, referred to in subsec. (b)(3), is title VIII of Pub. L. 90-284, Apr. 11, 1968, 82 Stat. 81, as amended, known as the Fair Housing Act, which is classified principally to subchapter I (§3601 et seq.) of chapter 45 of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of Title 42 and Tables.

#### PRIOR PROVISIONS

A prior section 6711, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1021; Pub. L. 98-185, §4, Nov. 30, 1983, 97 Stat. 1309, related to State variation of local government allocations, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

### § 6712. Discrimination proceedings

(a) NOTICE OF NONCOMPLIANCE.—By the 10th day after the Secretary makes a finding of discrimination or receives a holding of discrimination about a unit of general local government, the Secretary shall submit a notice of non-compliance to the government. The notice shall state the basis of the finding or holding.

(b) INFORMAL PRESENTATION OF EVIDENCE.—A unit of general local government may present evidence informally to the Secretary within 30 days after the government receives a notice of noncompliance from the Secretary. Except as provided in subsection (e), the government may present evidence on whether—

(1) a person in the United States has been excluded or denied benefits of, or discriminated against under, the program or activity of the government, in violation of section 6711(a);

(2) the program or activity of the government violated a prohibition described in section 6711(b); and

(3) any part of that program or activity has been paid for with a payment received under this chapter.

(c) TEMPORARY SUSPENSION OF PAYMENTS.—By the end of the 30-day period under subsection (b), the Secretary shall decide whether the unit of general local government has not complied with section 6711(a) or (b), unless the govern-

ment has entered into a compliance agreement under section 6714. If the Secretary decides that the government has not complied, the Secretary shall notify the government of the decision and shall suspend payments to the government under this chapter unless, within 10 days after the government receives notice of the decision, the government—

(1) enters into a compliance agreement under section 6714; or

(2) requests a proceeding under subsection (d)(1).

(d) ADMINISTRATIVE REVIEW OF SUSPENSIONS.—

(1) PROCEEDING.—A proceeding requested under subsection (c)(2) shall begin by the 30th day after the Secretary receives a request for the proceeding. The proceeding shall be before an administrative law judge appointed under section 3105 of title 5, United States Code. By the 30th day after the beginning of the proceeding, the judge shall issue a preliminary decision based on the record at the time on whether the unit of general local government is likely to prevail in showing compliance with section 6711(a) or (b).

(2) DECISION.—If the administrative law judge decides at the end of a proceeding under paragraph (1) that the unit of general local government has—

(A) not complied with section 6711(a) or (b), the judge may order payments to the government under this chapter terminated; or

(B) complied with section 6711(a) or (b), a suspension under section 6713(a)(1)(A) shall be discontinued promptly.

(3) LIKELIHOOD OF PREVAILING.—An administrative law judge may not issue a preliminary decision that the government is not likely to prevail if the judge has issued a decision described in paragraph (2)(A).

(e) BASIS FOR REVIEW.—In a proceeding under subsections (b) through (d) on a program or activity of a unit of general local government about which a holding of discrimination has been made, the Secretary or administrative law judge may consider only whether a payment under this chapter was used to pay for any part of the program or activity. The holding of discrimination is conclusive. If the holding is reversed by an appellate court, the Secretary or judge shall end the proceeding.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1875.)

#### PRIOR PROVISIONS

A prior section 6712, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1021, related to adjustments of local government allocations, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

### § 6713. Suspension and termination of payments in discrimination proceedings

(a) IMPOSITION AND CONTINUATION OF SUSPENSIONS.—

(1) IN GENERAL.—The Secretary shall suspend payment under this chapter to a unit of general local government—

(A) if an administrative law judge appointed under section 3105 of title 5, United States Code, issues a preliminary decision in a proceeding under section 6712(d)(1) that the government is not likely to prevail in showing compliance with section 6711(a) and (b);

(B) if the administrative law judge decides at the end of the proceeding that the government has not complied with section 6711(a) or (b), unless the government makes a compliance agreement under section 6714 by the 30th day after the decision; or

(C) if required under section 6712(c).

(2) **EFFECTIVENESS.**—A suspension already ordered under paragraph (1)(A) continues in effect if the administrative law judge makes a decision under paragraph (1)(B).

(b) **LIFTING OF SUSPENSIONS AND TERMINATIONS.**—If a holding of discrimination is reversed by an appellate court, a suspension or termination of payments in a proceeding based on the holding shall be discontinued.

(c) **RESUMPTION OF PAYMENTS UPON ATTAINING COMPLIANCE.**—The Secretary may resume payment to a unit of general local government of payments suspended by the Secretary only—

(1) as of the time of, and under the conditions stated in—

(A) the approval by the Secretary of a compliance agreement under section 6714(a)(1); or

(B) a compliance agreement entered into by the Secretary under section 6714(a)(2);

(2) if the government complies completely with an order of a United States court, a State court, or administrative law judge that covers all matters raised in a notice of noncompliance submitted by the Secretary under section 6712(a);

(3) if a United States court, a State court, or an administrative law judge decides (including a judge in a proceeding under section 6712(d)(1)), that the government has complied with sections<sup>1</sup> 6711(a) and (b); or

(4) if a suspension is discontinued under subsection (b).

(d) **PAYMENT OF DAMAGES AS COMPLIANCE.**—For purposes of subsection (c)(2), compliance by a government may consist of the payment of restitution to a person injured because the government did not comply with section 6711(a) or (b).

(e) **RESUMPTION OF PAYMENTS UPON REVERSAL BY COURT.**—The Secretary may resume payment to a unit of general local government of payments terminated under section 6712(d)(2)(A) only if the decision resulting in the termination is reversed by an appellate court.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1876.)

#### PRIOR PROVISIONS

A prior section 6713, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1022; Pub. L. 98-185, §§5, 9(e), Nov. 30, 1983, 97 Stat. 1309, 1312, related to information used in allocation formulas, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

<sup>1</sup> So in original. Probably should be “section”.

## § 6714. Compliance agreements

(a) **TYPES OF COMPLIANCE AGREEMENTS.**—A compliance agreement is an agreement—

(1) approved by the Secretary, between the governmental authority responsible for prosecuting a claim or complaint that is the basis of a holding of discrimination and the chief executive officer of the unit of general local government that has not complied with section 6711(a) or (b); or

(2) between the Secretary and the chief executive officer.

(b) **CONTENTS OF AGREEMENTS.**—A compliance agreement—

(1) shall state the conditions the unit of general local government has agreed to comply with that would satisfy the obligations of the government under sections<sup>1</sup> 6711(a) and (b);

(2) shall cover each matter that has been found not to comply, or would not comply, with section 6711(a) or (b); and

(3) may be a series of agreements that dispose of those matters.

(c) **AVAILABILITY OF AGREEMENTS TO PARTIES.**—The Secretary shall submit a copy of a compliance agreement to each person who filed a complaint referred to in section 6716(b), or, if an agreement under subsection (a)(1), each person who filed a complaint with a governmental authority, about a failure to comply with section 6711(a) or (b). The Secretary shall submit the copy by the 15th day after an agreement is made. However, if the Secretary approves an agreement under subsection (a)(1) after the agreement is made, the Secretary may submit the copy by the 15th day after approval of the agreement.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1877.)

#### PRIOR PROVISIONS

A prior section 6714, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1023; Pub. L. 98-185, §6, Nov. 30, 1983, 97 Stat. 1310, related to public hearings, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

## § 6715. Enforcement by the Attorney General of prohibitions on discrimination

The Attorney General may bring a civil action in an appropriate district court of the United States against a unit of general local government that the Attorney General has reason to believe has engaged or is engaging in a pattern or practice in violation of section 6711(a) or (b). The court may grant—

(1) a temporary restraining order;

(2) an injunction; or

(3) an appropriate order to ensure enjoyment of rights under section 6711(a) or (b), including an order suspending, terminating, or requiring repayment of, payments under this chapter or placing additional payments under this chapter in escrow pending the outcome of the action.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1877.)

<sup>1</sup> So in original. Probably should be “section”.

## PRIOR PROVISIONS

A prior section 6715, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1024, related to prohibition on using payments to influence legislation, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

**§ 6716. Civil action by a person adversely affected**

(a) **AUTHORITY FOR PRIVATE SUITS IN FEDERAL OR STATE COURT.**—If a unit of general local government, or an officer or employee of a unit of general local government acting in an official capacity, engages in a practice prohibited by this chapter, a person adversely affected by the practice may bring a civil action in an appropriate district court of the United States or a State court of general jurisdiction. Before bringing an action under this section, the person must exhaust administrative remedies under subsection (b).

(b) **ADMINISTRATIVE REMEDIES REQUIRED TO BE EXHAUSTED.**—A person adversely affected shall file an administrative complaint with the Secretary or the head of another agency of the United States Government or the State agency with which the Secretary has an agreement under section 6711(d). Administrative remedies are deemed to be exhausted by the person after the 90th day after the complaint was filed if the Secretary, the head of the Government agency, or the State agency—

(1) issues a decision that the government has not failed to comply with this chapter; or

(2) does not issue a decision on the complaint.

(c) **AUTHORITY OF COURT.**—In an action under this section, the court—

(1) may grant—

(A) a temporary restraining order;

(B) an injunction; or

(C) another order, including suspension, termination, or repayment of, payments under this chapter or placement of additional payments under this chapter in escrow pending the outcome of the action; and

(2) to enforce compliance with section 6711(a) or (b), may allow a prevailing party (except the United States Government) a reasonable attorney's fee.

(d) **INTERVENTION BY ATTORNEY GENERAL.**—In an action under this section to enforce compliance with section 6711(a) or (b), the Attorney General may intervene in the action if the Attorney General certifies that the action is of general public importance. The United States Government is entitled to the same relief as if the Government had brought the action and is liable for the same fees and costs as a private person.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1878.)

## PRIOR PROVISIONS

A prior section 6716, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1024; Pub. L. 98-185, §9(f), (g), Nov. 30, 1983, 97 Stat. 1312; Pub. L. 98-216, §1(8), Feb. 14, 1984, 98 Stat. 4, related to prohibition of discrimination, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

## § 6717. Judicial review

(a) **APPEALS IN FEDERAL COURT OF APPEALS.**—A unit of general local government which receives notice from the Secretary about withholding payments under section 6703(f), suspending payments under section 6713(a)(1)(B), or terminating payments under section 6712(d)(2)(A), may apply for review of the action of the Secretary by filing a petition for review with the court of appeals of the United States for the circuit in which the government is located. The petition shall be filed by the 60th day after the date the notice is received. The clerk of the court shall immediately send a copy of the petition to the Secretary.

(b) **FILING OF RECORD OF ADMINISTRATIVE PROCEEDING.**—The Secretary shall file with the court a record of the proceeding on which the Secretary based the action. The court may consider only objections to the action of the Secretary that were presented before the Secretary.

(c) **COURT ACTION.**—The court may affirm, change, or set aside any part of the action of the Secretary. The findings of fact by the Secretary are conclusive if supported by substantial evidence in the record. If a finding is not supported by substantial evidence in the record, the court may remand the case to the Secretary to take additional evidence. Upon such a remand, the Secretary may make new or modified findings and shall certify additional proceedings to the court.

(d) **REVIEW ONLY BY SUPREME COURT.**—A judgment of a court under this section may be reviewed only by the Supreme Court under section 1254 of title 28, United States Code.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1878.)

## PRIOR PROVISIONS

A prior section 6717, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1025; Pub. L. 98-185, §§7, 9(h), Nov. 30, 1983, 97 Stat. 1310, 1312, related to discrimination proceedings, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

## § 6718. Investigations and reviews

(a) **INVESTIGATIONS BY SECRETARY.**—

(1) **IN GENERAL.**—The Secretary shall within a reasonable time limit—

(A) carry out an investigation and make a finding after receiving a complaint referred to in section 6716(b), a determination by a State or local administrative agency, or other information about a possible violation of this chapter;

(B) carry out audits and reviews (including investigations of allegations) about possible violations of this chapter; and

(C) advise a complainant of the status of an audit, investigation, or review of an allegation by the complainant of a violation of section 6711(a) or (b) or other provision of this chapter.

(2) **TIME LIMIT.**—The maximum time limit under paragraph (1)(A) is 120 days.

(b) **REVIEWS BY COMPTROLLER GENERAL.**—The Comptroller General of the United States may carry out reviews of the activities of the Sec-

retary, State governments, and units of general local government necessary for the Congress to evaluate compliance and operations under this chapter. These reviews may include a comparison of the waste and inefficiency of local governments using funds under this chapter compared to waste and inefficiency with other comparable Federal programs.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1879; amended Pub. L. 104-316, title I, §115(k), Oct. 19, 1996, 110 Stat. 3835.)

#### PRIOR PROVISIONS

A prior section 6718, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1026; Pub. L. 98-185, §9(i), Nov. 30, 1983, 97 Stat. 1312, related to suspension and termination of payments in discrimination proceedings, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

#### AMENDMENTS

1996—Subsec. (b). Pub. L. 104-316 substituted “may” for “shall” before “carry” and “include”.

### § 6719. Reports

(a) **REPORTS BY SECRETARY TO CONGRESS.**—Before June 2 of each year prior to 2002, the Secretary personally shall report to the Congress on—

(1) the status and operation of the Local Government Fiscal Assistance Fund during the prior fiscal year; and

(2) the administration of this chapter, including a complete and detailed analysis of—

(A) actions taken to comply with sections 6711 through 6715, including a description of the kind and extent of noncompliance and the status of pending complaints;

(B) the extent to which units of general local government receiving payments under this chapter have complied with the requirements of this chapter;

(C) the way in which payments under this chapter have been distributed in the jurisdictions receiving payments; and

(D) significant problems in carrying out this chapter and recommendations for legislation to remedy the problems.

(b) **REPORTS BY UNITS OF GENERAL LOCAL GOVERNMENT TO SECRETARY.**—

(1) **IN GENERAL.**—At the end of each fiscal year, each unit of general local government which received a payment under this chapter for the fiscal year shall submit a report to the Secretary. The report shall be submitted in the form and at a time prescribed by the Secretary and shall be available to the public for inspection. The report shall state—

(A) the amounts and purposes for which the payment has been appropriated, expended, or obligated in the fiscal year;

(B) the relationship of the payment to the relevant functional items in the budget of the government; and

(C) the differences between the actual and proposed use of the payment.

(2) **AVAILABILITY OF REPORT.**—The Secretary shall provide a copy of a report submitted under paragraph (1) by a unit of general local government to the chief executive officer of

the State in which the government is located. The Secretary shall provide the report in the manner and form prescribed by the Secretary.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1879.)

#### PRIOR PROVISIONS

A prior section 6719, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1027, related to compliance agreements, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

### § 6720. Definitions, application, and administration

(a) **DEFINITIONS.**—In this chapter—

(1) “unit of general local government” means—

(A) a county, township, city, or political subdivision of a county, township, or city, that is a unit of general local government as determined by the Secretary of Commerce for general statistical purposes; and

(B) the District of Columbia and the recognized governing body of an Indian tribe or Alaskan Native village that carries out substantial governmental duties and powers;

(2) “payment period” means each 1-year period beginning on October 1 of the years 1994 through 2000;

(3) “State and local taxes” means taxes imposed by a State government or unit of general local government or other political subdivision of a State government for public purposes (except employee and employer assessments and contributions to finance retirement and social insurance systems and other special assessments for capital outlay) as determined by the Secretary of Commerce for general statistical purposes;

(4) “State” means any of the several States and the District of Columbia;

(5) “income” means the total money income received from all sources as determined by the Secretary of Commerce for general statistical purposes, which for units of general local government is reported by the Bureau of the Census for 1990 in the publication Summary Social, Economic, and Housing Characteristics;

(6) “per capita income” means—

(A) in the case of the United States, the income of the United States divided by the population of the United States;

(B) in the case of a State, the income of that State, divided by the population of that State; and

(C) in the case of a unit of general local government, the income of that unit of general local government divided by the population of the unit of general local government;

(7) “finding of discrimination” means a decision by the Secretary about a complaint described in section 6716(b), a decision by a State or local administrative agency, or other information (under regulations prescribed by the Secretary) that it is more likely than not that a unit of general local government has not complied with section 6711(a) or (b);

(8) “holding of discrimination” means a holding by a United States court, a State

court, or an administrative law judge appointed under section 3105 of title 5, United States Code, that a unit of general local government expending amounts received under this chapter has—

(A) excluded a person in the United States from participating in, denied the person the benefits of, or subjected the person to discrimination under, a program or activity because of race, color, national origin, or sex; or

(B) violated a prohibition against discrimination described in section 6711(b); and

(9) “Secretary” means the Secretary of Housing and Urban Development.

(b) DELEGATION OF ADMINISTRATION.—The Secretary may enter into agreements with other executive branch departments and agencies to delegate to that department or agency all or part of the Secretary’s responsibility for administering this chapter.

(c) TREATMENT OF SUBSUMED AREAS.—If the entire geographic area of a unit of general local government is located in a larger entity, the unit of general local government is deemed to be located in the larger entity. If only part of the geographic area of a unit is located in a larger entity, each part is deemed to be located in the larger entity and to be a separate unit of general local government in determining allocations under this chapter. Except as provided in regulations prescribed by the Secretary, the Secretary shall make all data computations based on the ratio of the estimated population of the part to the population of the entire unit of general local government.

(d) BOUNDARY AND OTHER CHANGES.—If a boundary line change, a State statutory or constitutional change, annexation, a governmental reorganization, or other circumstance results in the application of sections 6704 through 6708 in a way that does not carry out the purposes of sections 6701 through 6708, the Secretary shall apply sections 6701 through 6708 under regulations of the Secretary in a way that is consistent with those purposes.

(Added Pub. L. 103–322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1880.)

#### PRIOR PROVISIONS

Prior sections 6720 to 6724 were repealed by Pub. L. 99–272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

Section 6720, Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 1027, related to enforcement by Attorney General of prohibitions on discrimination.

Section 6721, Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 1028, related to civil action by person adversely affected.

Section 6722, Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 1028, related to judicial review.

Section 6723, Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 1029; Pub. L. 98–185, §8, Nov. 30, 1983, 97 Stat. 1310, related to audits, investigations, and reviews.

Section 6724, Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 1030, related to reports to Congress.

### CHAPTER 69—PAYMENT FOR ENTITLEMENT LAND

Sec.  
6901. Definitions.

Sec.  
6902. Authority and eligibility.  
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6904. Additional payments.  
6905. Redwood National Park and the Lake Tahoe Basin.  
6906. Funding.  
6907. State legislation requiring reallocation or redistribution of payments to smaller units of general purpose government.

#### AMENDMENTS

2008—Pub. L. 110–343, div. C, title VI, §601(c)(2), Oct. 3, 2008, 122 Stat. 3911, added item 6906 and struck out former item 6906 “Authorization of appropriations”.

1994—Pub. L. 103–272, §4(f)(1)(U)(i), July 5, 1994, 108 Stat. 1362, added item 6907.

### § 6901. Definitions

In this chapter—

(1) “entitlement land” means land owned by the United States Government—

(A) that is in the National Park System or the National Forest System, including wilderness areas and lands described in section 2 of the Act of June 22, 1948 (16 U.S.C. 577d), and section 1 of the Act of June 22, 1956 (16 U.S.C. 577d–1);

(B) the Secretary of the Interior administers through the Bureau of Land Management;

(C) dedicated to the use of the Government for water resource development projects;

(D) on which are located semi-active or inactive installations (except industrial installations) that the Secretary of the Army keeps for mobilization and for reserve component training;

(E) that is a dredge disposal area under the jurisdiction of the Secretary of the Army;

(F) that is located in the vicinity of Purgatory River Canyon and Pinon Canyon, Colorado, and acquired after December 23, 1981, by the United States Government to expand the Fort Carson military installation;

(G) that is a reserve area (as defined in section 401(g)(3) of the Act of June 15, 1935 (16 U.S.C. 715s(g)(3))); or

(H) acquired by the Secretary of the Interior or the Secretary of Agriculture under section 5 of the Southern Nevada Public Land Management Act of 1998 that is not otherwise described in subparagraphs (A) through (G).

(2)(A) “unit of general local government” means—

(i) a county (or parish), township, borough, or city (other than in Alaska) where the city is independent of any other unit of general local government, that—

(I) is within the class or classes of such political subdivision in a State that the Secretary of the Interior, in his discretion, determines to be the principal provider or providers of governmental services within the State; and

(II) is a unit of general government, as determined by the Secretary of the Interior on the basis of the same principles as were used by the Secretary of Commerce on January 1, 1983, for general statistical purposes;